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SENATE BILL 966

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Carroll H. Leavell

AN ACT

RELATING TO GAMING; IDENTIFYING THAT KENO IS AN ON-LINE LOTTERY GAME OF THE NEW MEXICO STATE LOTTERY; PROVIDING FOR EXEMPTION OF KENO DRAWINGS FROM PUBLIC DRAWINGS; ALLOWING FOR TESTING OF KENO EQUIPMENT AT INTERVALS ESTABLISHED BY THE BOARD OF DIRECTORS OF THE NEW MEXICO LOTTERY AUTHORITY; AMENDING THE NEW MEXICO LOTTERY ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-24-4 NMSA 1978 (being Laws 1995, Chapter 155, Section 4) is amended to read:

"6-24-4. DEFINITIONS. --As used in the New Mexico Lottery Act:

A. "authority" means the New Mexico lottery authority;

B. "board" means the board of directors of the

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1 authority;

2 C. "chief executive officer" means the chief
3 executive officer of the authority appointed by the board
4 pursuant to the New Mexico Lottery Act;

5 D. "lottery" means the New Mexico state lottery
6 established and operated by the authority pursuant to the New
7 Mexico Lottery Act;

8 E. "lottery contractor" means a person with whom
9 the authority has contracted for the purpose of providing goods
10 or services for the lottery;

11 F. "lottery game" means any variation of the
12 following types of games, but does not include any video
13 lottery game:

14 (1) an instant win game in which disposable
15 tickets contain certain preprinted winners that are determined
16 by rubbing or scraping an area or areas on the tickets to match
17 numbers, letters, symbols or configurations, or any combination
18 thereof, as provided by the rules of the game; provided an
19 instant-win game may also provide for preliminary and grand
20 prize drawings conducted pursuant to the rules of the game; and

21 (2) an on-line lottery game, including keno,
22 in which a lottery game is hooked up to a central computer via
23 a telecommunications system through which a player selects a
24 specified group of numbers or symbols out of a predetermined
25 range of numbers or symbols and purchases a ticket bearing the

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1 player-selected numbers or symbols for eligibility in a drawing
2 regularly scheduled in accordance with game rules;

3 G. "lottery retailer" means a person with whom the
4 authority has contracted for the purpose of selling tickets in
5 lottery games to the public;

6 H. "lottery vendor" means any person who submits a
7 bid, proposal or offer as part of a major procurement contract
8 and any person who is awarded a major procurement contract;

9 I. "major procurement contract" means a contract
10 for the procurement of any lottery game product or service
11 costing in excess of seventy-five thousand dollars (\$75,000),
12 including [~~but not limited to~~] major advertising contracts,
13 annuity contracts, prize payment agreements, consulting
14 services, equipment, tickets and other products and services
15 unique to the lottery, but not including materials, supplies,
16 equipment and services common to the ordinary operations of a
17 corporation;

18 J. "net revenues" means all lottery and nonlottery
19 revenues received by the authority less payments for lottery
20 prizes and operating expenses as provided in the New Mexico
21 Lottery Act; and

22 K. "person" means an individual or any other legal
23 entity. "

24 Section 2. Section 6-24-21 NMSA 1978 (being Laws 1995,
25 Chapter 155, Section 21, as amended) is amended to read:

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1 "6-24-21. DRAWINGS FOR AND PAYMENT OF PRIZES-- UNCLAIMED
2 PRIZES-- APPLICABILITY OF TAXATION. --

3 A. All lottery prize drawings shall be open to the
4 public. If the prior written approval of the chief executive
5 officer and the executive vice president for security are
6 obtained, the selection of winning entries may be performed by
7 an employee of the lottery. A member of the board shall not
8 perform the selection of a winning entry. Drawings for a prize
9 of more than five thousand dollars (\$5,000) shall be conducted
10 and videotaped by the security division and witnessed by the
11 internal auditor of the authority or ~~his~~ the internal
12 auditor's designee. Promotional drawings for a prize of less
13 than five thousand dollars (\$5,000) and drawings for keno are
14 exempt from the requirements of this subsection if prior
15 written approval is given by the chief executive officer and
16 the executive vice president for security. All lottery drawing
17 equipment used in public drawings to select winning numbers or
18 entries or participants for prizes shall be examined and tested
19 by the chief executive officer's staff and the internal auditor
20 of the authority or his designee prior to and after each public
21 drawing with the exception of keno drawings. Keno drawing
22 equipment shall be examined and tested by the chief executive
23 officer's staff and the internal auditor of the authority or
24 the internal auditor's designee at those intervals established
25 by rule of the board.

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1 B. Any lottery prize is subject to applicable state
2 taxes. The authority shall report to the state and federal
3 taxing authorities any lottery prize exceeding six hundred
4 dollars (\$600).

5 C. The authority shall adopt rules, policies and
6 procedures to conduct fair and equitable drawings and establish
7 a system of verifying the validity of tickets claimed to win
8 prizes and to effect payment of such prizes, provided:

9 (1) no prize shall be paid upon a ticket
10 purchased or sold in violation of the New Mexico Lottery Act.
11 Any such prize shall constitute an unclaimed prize for purposes
12 of this section;

13 (2) the authority is discharged from all
14 liability upon payment of a prize;

15 (3) the board may by rule provide for the
16 payment of prizes by lottery retailers, whether or not the
17 lottery retailer sold the winning ticket, whenever the amount
18 of the prize is less than an amount set by board rule. Payment
19 shall not be made directly to a player by a machine or a
20 mechanical or electronic device;

21 (4) prizes not claimed within the time period
22 established by the authority are forfeited and shall be paid
23 into the prize fund. No interest is due on a prize when a
24 claim is delayed;

25 (5) the right to a prize is not assignable,

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1 but prizes may be paid to a deceased winner's estate or to a
2 person designated by judicial order;

3 (6) until a signature or mark is placed on a
4 ticket in the area designated for signature, a ticket is owned
5 by the bearer of the ticket, but after a signature or mark is
6 placed on a ticket in the area designated for signature, a
7 ticket is owned by the person whose signature or mark appears,
8 and that person is entitled to any prize attributable to the
9 owner; and

10 (7) the authority is not responsible for lost
11 or stolen tickets. "